RV BUSINESS

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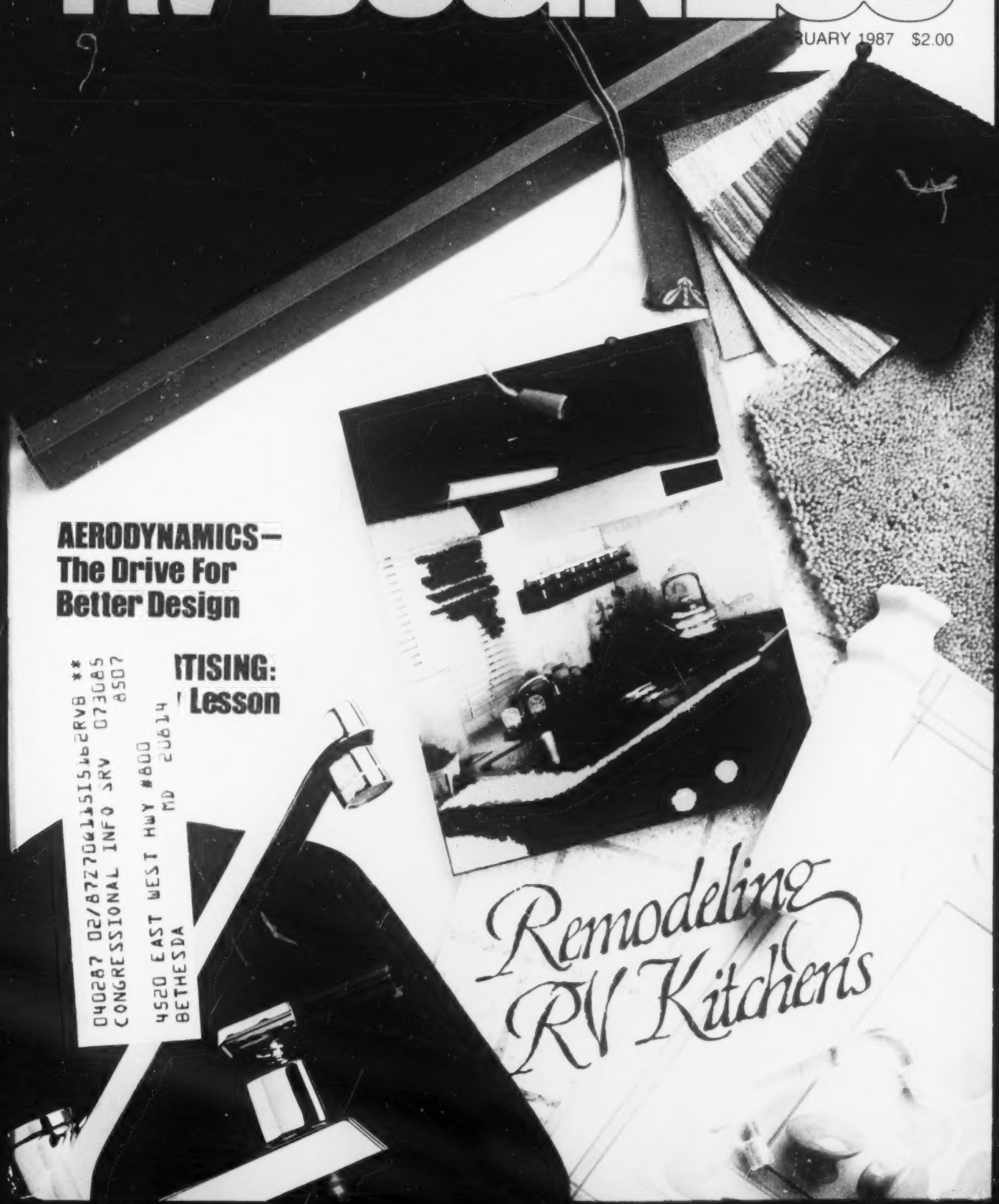

**AERODYNAMICS—
The Drive For
Better Design**

**ITISING:
Lesson**

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Remodeling RV Kitchens

RV BUSINESS

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RV KITCHEN REMODELING: HOW DEALERS CAN PROFIT
Dan Goss

A select number of RV dealers have discovered that a remodeling shop costing a few thousand dollars to set up can yield 10 times that amount in service revenue. Dealers discuss the ins and outs of kitchen remodeling.

RV KITCHEN REMODELING: NEW COLORS AND DESIGNS
Colleen J. Fenrich

Kitchen make-overs must take into account changing tastes in colors and designs. Interior designers and RV suppliers provide some advice on achieving an updated look.

AERODYNAMIC STYLING: MANUFACTURER TRENDS
Don Magary

RV manufacturers are trying to find a balance between livability and aerodynamic styling to achieve the benefits of greater fuel efficiency, better handling and reduced noise.

AERODYNAMIC STYLING: THE NEW 'BUZZ' WORDS
Robert C. Honke

New terms have entered the RV engineers' and consumers' lexicons. Here is a brief description of the latest "buzz" words and their RV applications.

RV AD HISTORY
Ben Sussman

From the 1930s to the '80s, this brief retrospective of RV advertising discusses some basic lessons the industry has learned—or still has to learn—about reaching consumers.

MARKETING CONCEPTS
JoBeth Shields

In depressed Houston, an RV service and supply firm's 26-year-old owner remains optimistic—and prosperous—with an aggressive marketing strategy and customer-service approach.

TAX REFORM
Peter M. Davis

The new tax law deeply affects RV dealers and their customers. Some of the key tax changes are highlighted in this article.

LP-GAS DETECTORS
Don Magary

Dealers can provide an extra margin of safety to RV owners with LP-gas leak detectors. New technology is outlined in this product round-up.

SOUTHWEST SUPER SHOW

Plan your visit to the Texas Recreational Vehicle Association's (TRVA) Southwest Super Show XII in Dallas with the floorplans and exhibitor listings provided.

EDITORIAL
John Thompson

LETTERS

MAXWELL
Gaylord Maxwell

OERTLE
V. Lee Oertle

PERSPECTIVE
Gaylord Maxwell

ASSOCIATIONS

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AFTERMARKET

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PROFITMAKERS

CALENDAR

ON THE COVER: RV dealers are reaping profits by catering to the demand for kitchen remodeling. Two articles explore both the basics of setting up shop and the fine points of design involved in galley make-overs. Photo: Paul Pribble.

Perspective

An analysis of RVB's monthly survey of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	NOV. 1986	NOV. 1985	% CHANGE	1986	1985	% CHANGE	NOV. 1986	NOV. 1985	% CHANGE	1986	1985	% CHANGE
MOTORHOMES	95	68	+40	1,069	1,173	−9	94	60	+57	1,011	906	+12
TRAVEL TRAILERS	61	60	+ 2	951	904	+5	73	55	+33	872	855	+ 2
TRUCK CAMPERS	13	11	+18	167	172	−3	5	11	−55	108	122	−11
CAMPING TRAILERS	19	16	+19	987	1,062	−7	7	7	same	310	351	−12
FIFTH-WHEELS	7	19	−63	177	194	−9	5	3	+67	74	76	− 3

	FOR MONTH			YEAR-TO-DATE		
	NOV. 1986	NOV. 1985	% CHANGE	1986	1985	% CHANGE
SALES VOLUME	$7,478,044	$5,928,487	+26	$91,041,282	$89,191,217	+2
TOTAL UNIT SALES	379	310	+22	5,726	5,815	−2
NEW-UNIT SALES	195	174	+12	3,351	3,505	−4
USED-UNIT SALES	184	136	+35	2,375	2,310	+3

In some respects, November of 1986 was like old times — *good old times*, that is. For some reason, many dealers enjoyed boom times that they hadn't experienced in years.

In terms of dollars taken in, it was the best month so far in 1986 for the Dealer Advisory Board (DAB). Well over half the members shared in the windfall. Some of the figures for the month were remarkable. For example, 37 percent of the board members doubled the previous year's sales dollars, and three tripled sales!

In terms of units sold, the figures for the month were all positive. The total percentage increase in units nearly matched the percentage increase in dollars — 22 percent for units, 26 percent for dollars.

No particular size or kind of dealership dominated the scene. Beneficiaries of the bonanza ranged from small businesses to giants.

The good report for November brought the year-to-date figures back into the black for sales volume (up 2 percent), but total units barely stayed in the red (down 2 percent). Well over half the DAB members took in more dollars in the first 11 months of 1986 than they did in the same months of 1985.

Half the DAB members reported good grosses and bottom lines for the month. However, the other half split equally among fair and poor revenues.

About half the DAB members believed their new inventories were high. The reported used stock supply varied, ranging from high to low. Lot traffic was rated low.

MOTORHOMES

Motorhome buyers were more plentiful in November than they have been for a long time for both new and used units. Perhaps the changed sales tax provision in the new tax law had something to do with it. Whatever the cause, more than half the DAB dealers who handle motorized were up for the month. The dramatic increase, however, wasn't enough to tilt the new-unit sales figure into the plus column for the year-to-date. Used sales for both the month and year-to-date were positive. It should be noted that sales of used motorhomes by the DAB exceeded those of new units.

Motorhome profits were generally rated fair to good on new units, and excellent on used.

TRAVEL TRAILERS

An increase of only one new unit for the month isn't much, but it kept this category in the plus column, so both new and used sales for November and for the year-to-date were still ahead of last year. This mild resurgence of travel-trailer sales has been one of this report's most positive aspects for much of '86.

Profits on new units were generally rated good—with a smaller share of fairs and poors reported. Several DAB dealers rated used inventories as too high, although most considered them to be average or even low.

TRUCK CAMPERS

New unit sales were up slightly for the month, while used sales fell off quite a bit. Year-to-date, both categories were still in the minus column by a few units.

Profits on new units were rated excellent.

CAMPING TRAILERS

There was a slight increase in new unit sales for November, but those for the year-to-date were still slightly down. There isn't much activity with this RV type during the winter months.

Profits weren't too bad, however; they ranged from fair to good for most dealers — with a couple of poors.

FIFTH-WHEELS

In terms of percentages, fivers nosedived in November. The drop of 63 percent represented a very weak month for two DAB members.

Profits on new units were generally rated good. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 21 dealers representing a cross-section of the U.S. dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

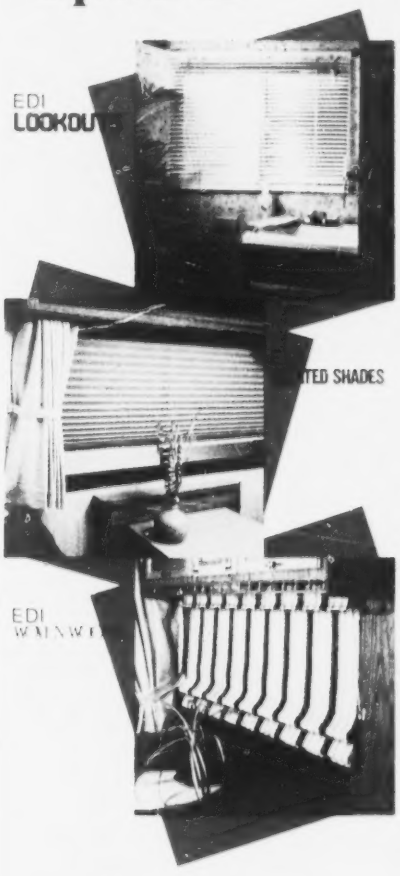
RVIA, NOVEMBER

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during November 1986 was 24,800 units, up 5.5% from November 1985.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Jim Sheldon of Fleetwood Enterprises, Riverside, California.

RV shipments were as follows in Nov. 1986:	Nov. 1986	Nov. 1985	Percent Change	Cumulative 1986	Cumulative 1985	Percent Change
TRAVEL TRAILERS	2,900	2,600	+ 11.5%	52,200	52,300	- 0.2%
PARK MODELS	600	600	0%	7,100	7,000	+ 1.4%
FIFTH WHEELS	1,500	1,300	+ 15.4%	21,400	19,500	+ 9.7%
TRUCK CAMPERS	500	400	+ 25.0%	6,900	6,600	+ 4.5%
MULTI-USE VEHICLES (Van Conversions)	11,200	11,800	- 5.1%	169,800	151,900	+ 11.8%
TYPE A MOTOR-HOMES	2,700	2,400	+ 12.5%	30,700	31,800	- 3.5%
TYPE B VAN CAMPERS	500	400	+ 25.0%	5,500	6,200	- 11.3%
TYPE C MINI MOTOR-HOMES	1,900	1,800	+ 5.6%	26,200	27,300	- 4.0%
FOLDING CAMPING TRAILERS	3,000	2,200	+ 36.4%	33,100	33,500	- 1.2%
TOTALS	24,800	23,500	+ 5.5%	352,900	336,100	+ 5.0%

Open Your Window Options



EDI brings you unequaled choices in RV window fashions. Whatever you need, EDI will work with you to custom-design the right window treatment for your units, while giving the necessary privacy, fire-retardant and insulative qualities.

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WDA THIRD-QUARTER SURVEY RESULTS

Sales of reporting members of the Wire Harness Distributors Association (WDA) in the third quarter of 1986 were down 8 percent from the preceding quarter. The median sales level was $963,200 for the 37 reporting firms of this international organization serving the RV aftermarket. Median values indicate that sales of half of the firms were above this amount, with sales of the other half below $963,200.

U.S. firms had a decline of 0.5 percent in sales, but Canadian firms fell by 12.4 percent from the second to the third quarter of 1986. (See *Figure 1*.)

Figure 1

Median Sales of WDA Members (in thousands of dollars)
First three quarters of 1986

	1st	2nd	3rd
All firms	$582	$1,050	$ 964
U.S. firms	582	938	935
Canadian firms	864	1,601	1,322

The average number of days of receivable outstanding rose from 28 days in the second quarter to more than 32 days in the third quarter. Even firms with $1.5 million in sales for the quarter tended to have longer receivable periods. (See *Figure 2*.) During the period, small firms cut the average time for which receivables remained outstanding, while medium- and large-size firms saw increases in the length of time receivables were on the books.

The median percentage of receivables outstanding for 60 days or more was 12.8 percent for all firms. The tendency that was evident with respect to sales volume could be seen here as well. Larger firms tended to have a higher percentage of receivables outstanding 60 days or more. (See *Figure 3*.)

A new feature of the report, which is sent to participating WDA members each quarter, is the ratio of the high-month sales in the quarter to the low-month sales. This is a simple measure of the variability of sales for firms. If the value is 1.0, then the high- and low-month sales are the same. If the ratio, however, is 3.0, then the firm's highest month's sales were three times as great as its lowest month's sales. The highest ratio for any firm was 2.3, with the lowest being 1.1. There was no trend associated with the size of firms, but Canadian firms showed much more variability (1.9) than did U.S. firms (1.4). (See *Figure 4*.)

In the third quarter, 37 WDA participating members filed their reports in time to be included in these statistics. There were 31 U.S. firms and 6 Canadian firms involved in this effort. Additionally, late reports will be tabulated into the third-quarter figures when the final report for 1986 is available.

Each participating WDA member receives a report for the entire industry and a confidential, personalized report for that firm alone. The reports are prepared by the Indiana Business Research Center of the Indiana University School of Business. Increased participation by WDA members is sought to make the data gathered of even greater use in analyzing trends in the industry. ∧

Figure 2

Average Days for Receivables
Median values for reporting firms

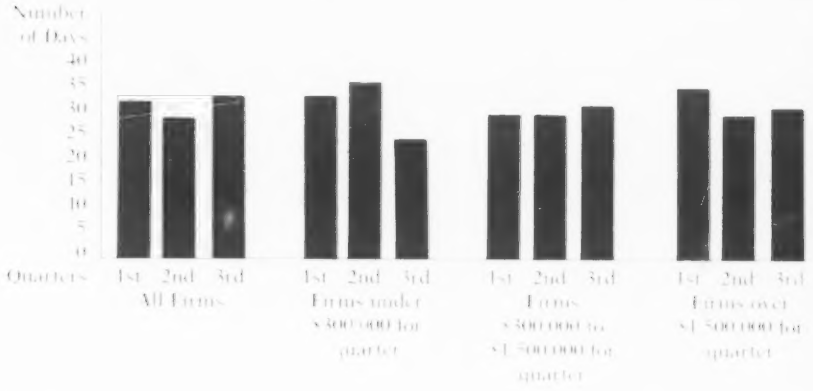

Figure 3

Percent of Receivables Outstanding 60 Days or More
Median values for reporting firms

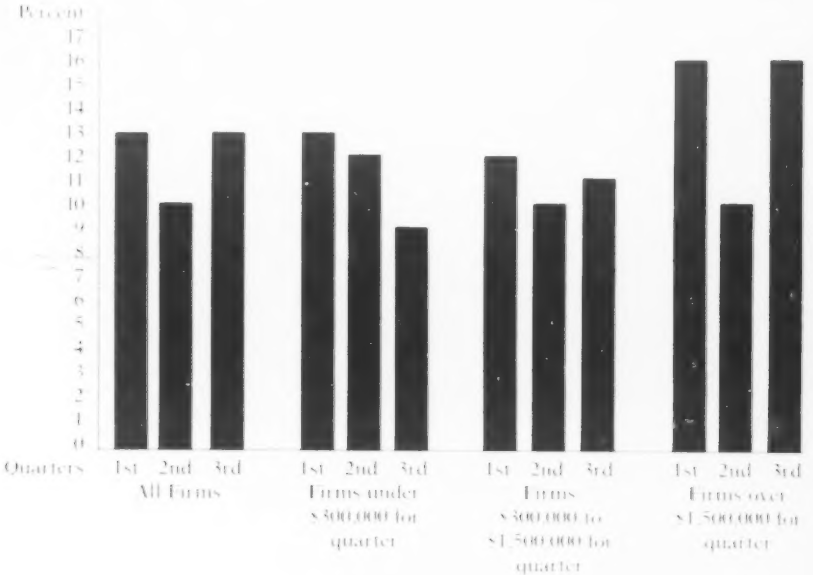

Figure 4

Median Ratios of High- to Low-Month's Sales
First three quarters of 1986

Monsanto. Circle 39 on Reader Service Card→